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FM AMEMBASSY KOLONIA  
TO SECSTATE WASHDC PRIORITY 2241  
INFO AMEMBASSY MAJURO  
HQ USPACOM HONOLULU HI  
AMEMBASSY BEIJING  
AIT TAIPEI 0020  
AMCONSUL SHANGHAI  
COMNAVMAIRIANAS GU  
AMEMBASSY KOLONIA

C O N F I D E N T I A L KOLONIA 000039

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TAGS: [PGOV](#) [PREL](#) [EAID](#) [PINR](#) [FM](#) [CH](#)

SUBJECT: CHINESE AMBASSADOR CRITICAL OF FSM GOVERNMENT CAPACITY AND  
LACK OF PROGRESS, REQUESTS ASSISTANCE FOR VISA APPLICANTS IN SHANGHAI

REF: Kolonia 35

CLASSIFIED BY: DOUGLASSWD, CHARGE DE AFFAIRS, EMBASSY KOLONIA,  
DOS.

REASON: 1.4 (b), (d)

¶1. (C) In a wide ranging discussion with U.S. Embassy officers on March 21, People's Republic of China Ambassador Liu Fei was critical of the FSM's capacity at both the state and national levels. She then complained about the lack of an industrious attitude at the individual level. Although China remains fully engaged in the FSM, this hard working Ambassador is clearly exasperated with the state of the relationship. She expressed appreciation for any anticipated help that the Embassy could provide with Guam transit visas for Chinese workers. On a final note, she conceded that working in the FSM was affecting her staff's morale. END SUMMARY.

#### Capacity and Culture Limit Economic Development

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¶2. (C) Liu hosted Ambassador Miriam Hughes, DCM William Douglass, and Econ/Conoff Jason Wemhoener-Cuite at a dinner with the staff of the Chinese Embassy on March 21. During a wide ranging discussion, Liu often returned to her contention that Micronesia lacked the capacity to manage many of the programs it has and that even if the capacity were available, the Micronesians as individuals are not motivated to work. Although citing a range of examples, Liu and her staff used a Chinese funded agricultural program as the primary example of the many shortcomings they perceive with the Micronesian workforce and government oversight.

¶3. (SBU) According to Liu, China funds a farming project in Pohnpei geared towards improving farming efficiency and possibly providing export opportunities. Based on the produce grown, the project is a success. China, however, is disappointed in the lack of cooperation by the host government and indifferent engagement by local farmers. In addition to funding the project, China provides seven technicians who work and act as trainers on the farm. Liu contends that the Micronesians, as a government or as individuals, are not working as partners should.

¶4. (SBU) Produce grown on the farm was intended for training and sale by the Micronesians, but much is now given to the nominal Micronesian workers. Liu commented that she did not want to give the produce away, but prior to giving it away the Micronesians working on the farm were just stealing whatever they wanted and China had no control. Liu states that the FSM government should have stepped in to prevent the thefts, but did nothing.

¶5. (SBU) With the host government's assistance, China and the FSM had identified farmers who would profit from agricultural training. However, Liu complained that the farmers who do show up are not studying the techniques taught or contributing to the farm in any substantive manner. The farmers come in late, take

long lunches followed by a nap, and then go home early. They may work for a couple of hours before taking produce.

¶6. (SBU) Third Secretary and Commercial Officer Qing Xu stated that China had one success story from the farm project. A young woman regularly came in and learned the techniques suitable on the farm. She proved diligent and trustworthy as a student. After completing the training, she moved to Guam. Qing opined that the United States offered motivated Micronesians more opportunities than what was available in the FSM. Liu added that this seems to be the norm, i.e. those who could contribute positively to society often decide to leave.

#### Visas for Chinese Workers

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¶7. (SBU) Further highlighting the work ethic of Chinese laborers vice their Micronesian counterparts, Liu commented that Pohnpei government officials have commented positively on the "small" Chinese laborers who are completing the new Pohnpei State Government headquarters, which may be the largest building in Pohnpei once completed. Liu added that China had to bring in its own laborers because the local workforce was not reliable. In this regard, she stated the workers needed transit visas to go through Guam and hoped the U.S. Embassy could help. She also insisted that she told the company in China only to choose the best laborers to come to the FSM. (Note: On multiple previous occasions the Chinese Embassy provided Post with details on laborers from Zhejiang Province who were applying for transit visas at the U.S. Consulate in Shanghai and asked Post to confirm to Consulate Shanghai that they were legitimate laborers. Post has consistently replied that Consulate Shanghai must make visa determinations based on the individual applicants and that we have no role in that process. End Note.)

#### Keeping up Morale is Difficult

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¶8. (SBU) Ambassador Liu and her staff were also very candid about morale issues they were facing. Of the seven Chinese diplomats currently working at the Embassy, four live on the compound in Palikir (two commercial officers live next to their office in Kolonia and a junior officer also lives in Kolonia). Palikir houses the capital offices, but it is distant from any town. (Note: Econoff noticed only one vehicle parked on the Chinese Compound, perhaps another indication of their isolation. End Note.) Staff members commented that once the office closes the only leisure activity they have is reading. The junior officer, Attache Zheng Xu, has had other difficulties living in Kolonia. Thieves stole one tire from his vehicle on two separate occasions.

¶9. (C) Liu also commented that although she had completed more than two years at post, sometimes "ambassadors were asked to stay on" until their successor is ready. Her apparent frustration, compared to the boredom by her staff, seemed based on the relationship with the FSM and Pohnpei in particular. When referring to Pohnpei Governor Ehsa's budding relationship with Taiwan (reftel), she stated he lied to her. She believes the government in general does not fulfill the obligations it takes on. Whereas Liu's staff commented on the vibrancy, cultural history, art and other aspects of Beijing, Shanghai and numerous other locations in China and the lack of anything comparable in the FSM, Liu's comments focused on the perceived lack of capacity and industriousness of Micronesians.

#### Comment

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¶10. (C) Although some of Liu's negativism may have reflected her inability to stem an emerging relationship between Taiwan and the Pohnpei state government, the overall tone of her discussions was one of exasperation with the FSM. Theft from the Chinese funded farm, stealing of a diplomat's car tires, the Pohnpei Governor's supposed betrayal, and acknowledgment that her tour of duty in the FSM should already be over all highlighted the Ambassador's frustration. Liu remains focused on her duties and she actively engages the FSM government at all

levels. However, FSM Foreign Affairs Secretary Lorin Robert recently told her unequivocally that Pohnpei State was free to engage with Taiwan on a commercial basis. In Post's opinion, she is looking forward to leaving the FSM. End Comment.

HUGHES